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SUBJECT: Econ Track Opening Session

1. (U) U.S. and China Strategic & Economic Dialogue; Economic Track Opening Session; 9:25 ? 9:40; Treasury Department, Washington DC.

2. (U) Participants:

U.S.  
Treasury Secretary Geithner  
National Economic Council Director Summers  
Federal Reserve Bank Governor Warsh  
Federal Deposit Insurance Corporation Chairman Bair

CHINA  
PBoC Governor Zhou Xiaochuan  
CBRC Chairman Liu Mingkang  
CSRC Chairman Shang Fulin  
CIRC Vice Chairman Li Kemu

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Treasury Secretary Geithner Opening Statement  
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3. (SBU) Treasury Secretary Timothy Geithner opened day two of the Economic track of the U.S.-China Strategic and Economic Dialogue by stating that through discussions with Vice Premier Wang Qishan and other members of the Chinese delegation, the U.S. and China are committed to fighting the global financial crisis and achieving sustainable and balanced growth. Secretary Geithner noted the global financial crisis exposed weaknesses within the U.S. financial system and that we must now implement reforms to provide the U.S. with a stronger, more resilient financial system that will reduce the risk of crises in the future. The U.S. remains committed to working closely with China to promote sound economic growth and to develop a more green economy. Secretary Geithner stated that China has the capability to bolster economic growth through increased consumer demand, and the U.S. is willing to work with China to enhance bilateral cooperation.

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Vice Premier Wang Opening Statement  
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4. (SBU) Vice Premier Wang Qishan noted that China's financial markets are still at a primary stage of development. China is in the process of developing a more open financial system and improving financial regulation. China seeks to cooperate with the U.S. and to hold in-depth exchanges to help strengthen China's financial institutions. Wang also stressed that international cooperation should increase, as countries become increasingly interdependent. Both countries' stimulus plans will surely promote economic growth, but the U.S. should relax controls on exports to China to further stimulate trade. Wang closed by calling on the U.S. to ensure the safety of Chinese assets, share new energy technologies, recognize China as a market economy, refrain from implementing protectionist policies, implement agreed conditions from the G-20, and continue assistance to

developing countries in order to satisfy the U.S.  
Millennium Development Goals.  
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